

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: November 21, 2018

TO: The Honorable Bob Blumenfield, Chair
Public Works and Gang Reduction Committee

The Honorable Curren D. Price, Chair
Economic Development Committee

FROM: Adel H. Hagekhalil, P.E. 
Executive Director and General Manager
Bureau of Street Services

SUBJECT: COUNCIL FILE NO. 13-1493-S5 SIDEWALK VENDING

The Bureau of Street Services (BSS) submits the following comments for your consideration regarding the regulation of sidewalk vending. These comments are designed to achieve effective compliance.

Recommendations for Effective Enforcement:

- **Location-Based Permits versus Regulation Without Permits:** Senate Bill 946 constrains local authority to regulate sidewalk vending. The overall number of sidewalk vending permits issued may not be restricted unless the restriction is directly related to objective health, safety, or welfare concerns. Beginning January 1, 2019, municipalities have the option to (i) take no action and thus allow vending under general State guidelines, or (ii) adopt regulations that conform with the limits specified by state law. Taking no action would result in vending being allowed almost anywhere in the public right-of-way with very few restrictions.

It has been estimated there are 50,000 sidewalk vendors in the City of Los Angeles (City). A program to issue site-specific permits to 50,000 vendors would be extremely costly, requiring a large office-based staff to issue and renew annual permits, and an even larger staff of enforcement investigators to ensure that each and every vendor is working in the specific location that has been assigned by the permit.

The BSS recommends a hybrid approach in which most of the City would operate under a regulatory system without site-specific vending permits, while in specific zones, a location-based permit would be required. These zones would be selected either by the Los Angeles City Council (Council) or the Board of Public Works (Board) based on "objective health, safety or welfare concerns." Areas such as Downtown Los Angeles and Hollywood, where vendors currently compete for the spaces with the most economic potential, would be among the recommended areas for potential designation as zones in which a location-specific permit would be required.

Based on historical experience with existing patterns of vending, it may be possible to effectively manage the public right-of-way by issuing approximately 10,000 site-specific vending permits in selected zones, while avoiding the costs of issuing, renewing and enforcing vending permits for the remaining 40,000 vendors operating under a regulatory system outside the selected zones.

- **Resource Needs for Permit Issuance:** The process for issuance of a location-specific vending permit would require the review of applications, inspection of proposed locations and verification of other required permits (State Tax Permit and City Business Tax Registration). The issuance of an estimated 10,000 annual site-specific sidewalk vending permits would require approximately four administrative and clerical staff, comprising one Management Analyst and three Administrative Clerks, at an approximate yearly cost of \$500,000. If the City chose to issue site-specific permits for all 50,000 sidewalk vendors citywide, the number of staff would need to quadruple, raising the annual cost of office-based staff to approximately \$2,000,000.
- **Special Zones:** It is recommended that the Director of the BSS make annual recommendations to the Board and/or Council amending or adjusting the existing permit zones and no-vending zones. On a case-by-case basis, Council or the Board may consider the establishment of a Bulky Item Enforcement Zone, per Los Angeles Municipal Code (LAMC) Section 56.11, (modeled after the pilot on Hollywood Boulevard) to ensure compliance in a no-vending zone.
- **Health and Safety Enforcement:** Under current law, Street Services Investigators are not allowed to confiscate food carts or products that could be considered health hazards. Only health inspectors for the County of Los Angeles may impound or confiscate food vending carts as health hazards. The inability of all City enforcement officers to enforce certain health laws restricts the effectiveness of unsafe or unhealthy food vending enforcement. The BSS recommends consideration be given to amending LAMC Section 61.07(a) to authorize Street Services Investigators to exercise this authority. A future proposed amendment will be forthcoming.
- **Municipal Code Amendment:** Since the rules and regulations for sidewalk vending are enforceable by administrative fines only, Council may want to consider a future amendment to LAMC Section 56.08, that would prohibit any non-permitted obstructions or activities interfering with the lawful use of the public right-of-way, to ensure curb ramps, driveways, and other key areas within the public right-of-way remain passable. Such an amendment could pertain to all activities, rather than focusing specifically on vending.
- **Staff Resources for Compliance:** To enforce the proposed hybrid sidewalk vending system in which approximately 40,000 vendors would operate without permits under regulations adopted by the Board, and approximately 10,000 vendors would operate with site-specific sidewalk vending permits in Council-selected zones, the BSS estimates the following staffing

configuration of 28 positions:

- a. One Chief Street Services Investigator I to manage the Citywide Sidewalk Vending Regulation Program.
- b. Two Senior Street Services Investigators II's to serve as shift commanders.
- c. Eighteen Street Services Investigators.
- d. Four Maintenance Laborers.
- e. One Management Analyst.
- f. Two Communications Information Representatives.

The estimated staffing needs in this report will be refined based on the actual ordinance adopted by Council and the Rules and Regulations adopted by the Board. Significantly more field staff would be needed if the entire City was designated for location-based permits.

The finalized staffing configuration will be brought to Council for adoption in a subsequent report. Please note that the amount of actual revenue from permit issuance and administrative citations is not yet known, and potentially might not be sufficient to ensure full cost recovery. Throughout the implementation process, revenue, and costs will be tracked and provided in regular reports to Council.

Attached is the draft "Rules and Regulations for Sidewalk Vending" for Council File No. 13-1493-S5; to be adopted by the Board upon Council's adoption of the vending ordinance.

If you have any questions or concerns please contact Chief Street Services Investigator II Gary Harris, at (213) 847-6000.

Attachments